



City of Seattle

Office of City Auditor
Susan Cohen, City Auditor

April 24, 2001

The Honorable Paul Schell
The Honorable Jim Compton
City of Seattle
Seattle, Washington

Dear Mayor Schell and Councilmember Compton:

Today we issued our report on the Public Safety Civil Service Commission (PSCSC) Budget Rent A Car Practices. We determined that the PSCSC is generally providing valued services for the Seattle Police and Fire Departments. However, serious management issues were identified during the audit review process regarding PSCSC rental car practices. Our findings and recommendations on PSCSC's rental car practices include:

- PSCSC's Secretary and Chief Examiner authorized the personal use of cars rented for City business, which violated specific provisions of the Seattle Municipal Code (SMC). Specifically, SMC 3.18.140 prohibits personal use of City owned or leased motor vehicles. SMC 4.16.070 prohibits the use of City property for a purpose other than City business.
- Neither the PSCSC Commission, nor the Secretary and Chief Examiner, established clear guidelines to ensure that the rental cars were justified on the basis of City business, as required by City laws and policies. As a result, the Secretary and Chief Examiner authorized payments of car rentals that were used exclusively for personal business and for overtime scheduled in the office in violation of the Seattle Municipal Code.
- PSCSC's management and internal controls were inadequate, and the Secretary and Chief Examiner did not maintain records of rental charges incurred for City business vs. personal business. As a result, she authorized full payment of Budget Rent A Car invoices that included rental charges incurred for personal business, and authorized payment of inaccurately reported overtime hours.
- PSCSC's authorization of the personal use of rental cars exposed the City to potential liabilities in the event that vehicular damage or personal injuries were sustained while the rented vehicles were used for personal business. The City's insurance does not cover personal use of rental vehicles.

The PSCSC's inattention to City laws, policies and sound management practices in its daily operations were not unique to its rental car practices. The Washington Firm, LTD, conducted a detailed analysis of PSCSC management issues, and reached similar conclusions that were published in "*Comments Regarding Harris' (the PSCSC's Secretary and Chief Examiner) Managerial Performance, Judgement*" in January 2001. Relevant findings and conclusions from The Washington Firm report include:

- The Secretary and Chief Examiner failed to ensure that staff performed assigned tasks according to acceptable standards, failed to evaluate staff or address training needs in an appropriate manner, and failed to coach, counsel and discipline staff as needed. PSCSC personnel, who were repeatedly observed using office time and equipment for non-work projects, often refused or postponed legitimate work assignments.
- The Secretary and Chief Examiner did not closely monitor the overtime budget and may have unnecessarily scheduled overtime. In addition, the Secretary and Chief Examiner did not develop a system to verify that employees accurately reported either regular time or overtime, and refused to address concerns raised about potential overtime abuse.
- PSCSC's staffing, work assignments, and scheduling practices raise serious questions about the Secretary and Chief Examiner's judgment. Specific concerns included a continuing out-of-class assignment of an employee who is unable to perform routine tasks, the ongoing use of temporary employees as a costly and inefficient way to deal with PSCSC's routine, ongoing workload, and inconsistent use and potential abuse of managerial authority.
- The Secretary and Chief Examiner failed to follow principles and practices of sound management and failed to exercise good judgment and deal objectively with individuals and issues. Perhaps, most importantly, the findings demonstrate that she failed to understand and accept her role and responsibilities as a manager.

PSCSC's response to The Washington Firm's report did not adequately address these findings. The lack of responsiveness was of particular concern to the Auditor's Office because similar management issues were identified in prior investigations and studies conducted by other City agencies. Examples include:

- A violation of the City ethics code that involved PSCSC staff use of City equipment for personal business while working overtime. The Ethics and Elections Commission cautioned PSCSC about its responsibility to manage City staff time and use of equipment appropriately.
- A Whistleblower complaint in which the Secretary and Chief Examiner was determined to have abused her authority by expending in excess of the PSCSC budget in 1996 and 1997. In addition, the Ethics and Elections Commission determined that the PSCSC could have demonstrated better decision-making to avoid budget expenditures for five nights lodging in a downtown Seattle hotel.
- Multiple City Budget Office reviews to curtail PSCSC's pattern of exceeding its annual budget authority and to ensure that the efficiency and effectiveness of its operations were maximized. The Chair of the City Council Finance Committee addressed PSCSC's expenditure patterns at a 1998 Council Budget Hearing.

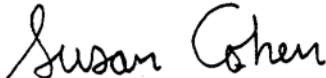
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- Several informal Department of Finance reviews that raised questions about a PSCSC staff member's long-term out-of-class assignment, increased pattern of overtime on weekends, and the use of rental cars for weekend commuting and personal business.

In conclusion, the Auditor's Office believes that the PSCSC is inadequately managed resulting in repeated violations of City laws and policies. The Commissioners, as a group, must exercise sound judgment and professionalism to serve effectively as the agency director, and the Secretary and Chief Examiner requires more extensive management skills and knowledge of City laws and processes to serve effectively as the day-to-day manager of this function. Given the failure of the PSCSC and its Secretary and Chief Examiner to adequately address concerns raised by The Washington Firm and City agencies, the Mayor and the City Council will need to take steps to ensure that the current management issues are addressed immediately and proactively to avoid further liabilities.

If you have any questions or comments, please feel free to call me at 233-1093.

Sincerely,



Susan Cohen
City Auditor

SC:SB:WSH:tb

cc: James A. Fossos, Chair, Public Safety Civil Service Commission
Barbara Laners, Commissioner, Public Safety Civil Service Commission
Noreen Skagen, Commissioner, Public Safety Civil Service Commission
Ruby Dell Harris, Secretary and Chief Examiner, Public Safety

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